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## Investment group buys Smurfit's Frenchtown mill

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By KIM BRIGGEMAN of the Missoulian missoulian.com | Posted: Thursday, May 5, 2011 7:45 am | Loading...

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Mark Spizzo, left, and Raymond Stillwell of Green Investment Group Inc. and Gov. Brian Schweitzer, right, announce the company's acquisition of Smurfit-Stone Container Corp.'s Frenchtown mill on Wednesday at the mill. The company's goal is to create jobs in sustainable growth industries at the site. Photo

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by TOM BAUER/Missoulain

FRENCHTOWN - The Smurfit-Stone Container Corp. mill here has a new owner, and this one won't be tearing it down.

With Gov. Brian Schweitzer by their sides at a hastily called news conference in front of mill gates, the lone two executives of Green Investment Group Inc. announced Wednesday they had purchased the 3,200-acre site in a three-way deal with Smurfit-Stone and MLR Investments, which signed a buy-sell agreement for the site earlier this year.

"What you see back there is now no longer Smurfit's," said Raymond Stillwell, president and general counsel for the Illinois-based Green Investment Group Inc.

Instead of one large, job-producing paper plant that anchored the valley's economy for more than 50 years, GIGI hopes to attract a number of smaller, green businesses focused on recycling and alternative energy - and already has local contractors working on the task.

It's the seventh abandoned Smurfit-Stone facility the company has purchased with similar intent. Three of the first six are in Canada.

Schweitzer called Green Investment Group's business plan "second to none that I know of in converting these brownfield sites into new green opportunities."

MLR Investments, a subsidiary of Ralston Investments of Portland, Ore., had indicated in February it would demolish the mill buildings, a plan that sat well with few in Montana, including the governor.

Schweitzer appeared at the same gates on March 9, decrying MLR's plan.

"We've been a little busy (since then), and we're here to announce that scrapper will not tear down this plant," Schweitzer said. "That gate will open, and there'll be jobs and opportunity inside."

The sale was welcome tidings for Randy Cline, superintendent of schools in Frenchtown, where staff layoffs loom after a \$175,000 school levy was defeated Tuesday.

"In February, when we heard the mill was going to be scrapped, I said that was the worst news possible," Cline said. "I think today is probably the best news possible."

Stillwell, in town with GIGI executive vice president Mark Spizzo, said the purchase price was in the \$20 million range.

Green Investment has been "operating under the radar for several months with a lot of unsung heroes" in Missoula and elsewhere, Stillwell said. "There are just so many folks who were all pushing little buttons here and there. It was a challenge. Nothing was actually for sure until 3:30 yesterday when the deeds got recorded."

"It's been a long trip, but when stuff comes together it comes together," said a delighted Missoula Mayor John Engen. "If we're not going to reopen a paper mill that employs 500 people, this is the next best thing."

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Smurfit-Stone was the last in a string of companies to operate the plant that began production in 1957 under Waldorf Paper Products Co. of St. Paul, Minn. The corporation was emerging from bankruptcy when it shuttered its Frenchtown plant in January 2010, laying off more than 400 employees and putting the entire facility up for sale.

Concerns over Smurfit's ability and willingness to comply with environmental cleanup issues arose after the announcement three months ago of MLR Investments' purchase. Stillwell said GIGI is "generally" aware of cleanup responsibilities and is comfortable with them after meeting with Richard Oppen, head of the Montana Department of Environmental Quality. He pointed to his company's environmental record at other former Smurfit sites.

"We insure the environmental issues with a sophisticated insurance product that we have in place with every site we own," Stillwell said.

An attorney in his hometown of Alton, Ill., Stillwell said he got into the business of redevelopment with a group of financiers in 2001. They revived a steel mill in Alton, which now employs 300, and later bought Smurfit-Stone's adjacent boxboard factory. It will soon be producing ethanol.

GIGI also owns former Smurfit plants in Circleville, Ohio, and Carthage, Ind.; as well as Canadian concerns in Bathurst, New Brunswick, and Portage-du-Fort and New Richmond, Quebec.

According to the company website, Green Investment Group's business model is two-phased: scrap and remediate, then redevelop and repopulate.

It's a good omen for economic recovery in Frenchtown, Missoula County and the region, said County Commissioner Jean Curtiss said. "We know it has the potential to provide jobs that relate to it, whether they feed into it directly or not."

As under all its purchase agreements with Smurfit, GIGI can't reintroduce paper production at Frenchtown. Some buildings specifically designed for that purpose will be torn down, and the mill's landmark skyline in the valley west of Missoula will change, Stillwell said.

"But we're going to replace it with something that's current, cutting edge and sustainable."

Reporter Kim Briggeman can be reached at 523-5266 or at [kbriggeman@missoulain.com](mailto:kbriggeman@missoulain.com).

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